Social Venture Network
CONFERENCE REPORT

Pocono Manor, Pennsylvania, September 29th - October 2, 1988

ANITA RODDICK

Exemplar of a New Style of Conscious Capitalism

She was a moving fireball at the Social Venture Network conference, insightful, demanding, energizing. After Anita Roddick gave her speech Friday night at Pocono Manor -- with a smashing video and slide show about the company she founded, The Body Shop -- the audience rose spontaneously to give a standing ovation. "I never would have gotten this kind of reception in Britain," she said.

Roddick is in fact a major national figure in England, named Businesswoman of the Year. She flew in from London to be a guest speaker at the Social Venture Network national gathering. At Pocono Manor, Roddick was among peers. She was one among a group of people who share the vision of business as a means to both financial success, and the creation of a more humane world.

Starting with a small natural cosmetics shop in England in 1976, Roddick has turned The Body Shop into a global network of over 370 shops in 34 countries, parlaying a starting bank loan of £8,000 into a $125 million a year enterprise. The success of The Body Shop and the success of Anita Roddick's leadership reflect a number of values:

Putting Your Money Where Your Mouth Is

It is company policy that every shop be involved in a community project, such as an AIDS program, or a battered women's shelter, with employees being paid to assist in these community ventures. All staff members after two years become shareholders, and all employees take year-round classes at The Body Shop School designed to educate people on healthcare, conservation, environmental preservation and other social issues.

Anita Roddick

Creativity in Giving Service in Entrepreneurship

The Body Shop sells cosmetics with all natural ingredients in shops which devote space to educating consumers regarding such topics as Amnesty International, recycling, community issues or saving the whales. It places factories in under-employed areas, and puts a healthy share of the profits back into the community. In Nepal, the company hopes to acquire several abandoned paper plants and have a local women's association make paper.

Good Values Make Good Business

The company has never sold products tested

"Anita Roddick is changing the nature of capitalism."

Joshua Mailman

"She has made her work and her life a billboard for social progress."

Bob Schwartz

on animals, and today it is funding research on artificial skin for cosmetics tests. Committed to "Trade not Aid" with the Third World, The Body Shop commissions a Boys Town in central India to produce footsie rollers, and in the process provides 80 boys with a home, security, and a trade. In keeping with its principles, The Body Shop pays First World prices.

The shops themselves are the "product," Roddick said. And what is distinctive about them -- the atmosphere, the simple packaging and informative labeling -- developed because there was no money. The company put products in urine sample bottles because they were cheap. Since there were only two dozen products, the shop offered each in five sizes, to fill the shelves.

"We've got a certain amount of grace because we didn't know how to tell lies," Roddick said. "We opened a shop believing you cannot tell a lie."

These policies developed piece by piece, with Roddick following her instincts, making her own rules as she went along. "The values of a company develop as you develop." Roddick said. "You can not pluck them out of the air."

Currently, The Body Shop has only two outlets in the United States, but Roddick said she plans to open three shops this year, and perhaps thirty the next year. Network members may be playing a role in that expansion, for during the meeting several approached Roddick about franchises.

"With people at the Network conference, the ideals of running a good business and serving the community are fully integrated."

Lisa Richter

Agenda Highlights

Workshops

- Environmental Opportunities for the 21st Century
- Social Purpose Ventures: Seeking Maximum Social Change with Modest Financial Gains
- Challenges in Managing a Socially Responsible Business
- Doing Good and Doing Well in Real Estate
- Socially Productive Venture Capital
- Media: Promoting Social Responsibility

Discussion Groups

- Opportunities for Private Business in the Soviet Union
- Public Issue Management: Redefining U.S. National Security
- Social Venture Partners: A Progress Report
- Progressive Business Association: Update
- Are We Addicted to our Work?
- Focus Groups: Opportunities for the Environment

Presentations

- Welcome Address: Wayne Silby and Joshua Mailman, Co-Founders of the Social Venture Network and Beth Binns, Coordinator of the Social Venture Network
- Keynote Address: Phillip Moffitt, past Editor and President of *Esquire* Magazine
- Guest Speaker: Anita Roddick, Founder of The Body Shop
- Business and Society: Ivan Illich, Alice Tepper-Marlin, Bob Rodale, Rustum Roy (Moderator)
- The Global Environment: Hazel Henderson, Richard Barnet

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Re-Gathering the Township

Phillip Moffitt's Vision

Phillip Moffitt, former president and editor of Esquire Magazine, delivered the keynote address at Pocono Manor Thursday evening. While under his leadership, Esquire was known for its coverage of social issues and for its ethics and important issues of life columns. Since leaving Esquire, Phillip has been writing, traveling and reflecting on service and society.

"Why are we here?" Phillip Moffitt asked. It was the keynote address on the opening night of the conference, and if participants were feeling skeptical or apprehensive, Moffitt wanted to address that at the outset. "I'd like to engage in a bit of preventive action against future frustration that may arise in the next two days. We have come together this weekend as part of our continuing effort to allow our mutual interests in social responsibility to evolve into a common purpose. One of the great difficulties in this kind of an unstructured situation is that a lot of frustration arises in the process. However, it seems to me there is a kind of grounding where we can send that frustration when we feel it." To begin to understand that grounding, let us start with the question, "Why are we here?"

Are we here to decide on a cause or a specific action to take, Moffitt asked. "We've all been leaders in one form or another, and we've certainly led very assertive lives." So it would seem natural, he said, to feel we're here to be leaders, to take specific action. But might there be an alternative?

Moffitt harkened back to the previous SVN conference at Murrieta, CA. Creating a venture fund was the central focus of that gathering, "but while we were there, something very different started to happen," he said. "What really caught my imagination was the power of the group itself -- not a defined power, but a potential power that was happening on its own accord, without direction."

The Emergence of Community

What he saw at Murrieta was idea exchange, personal inspiration -- "and above all, there was some mysterious idea of a community of values, a community coming together around values."

"Maybe it would be helpful to think of this as though we were tribes," he continued, "or we were warriors in different tribes scattered across the continent, and this was a gathering of members from the various tribes." Not a single issue gathering, but the nation of tribes coming together, each with numerous concerns.

One of the most attractive things about such an image, Moffitt said, is that when people come together around group values, they give up individual control over what will happen. "And if we can give up this need for control, then something wholly new and unexpected can emerge."

Many things may emerge from the conference, including projects or causes to rally around, but they are not the purpose of the gathering, Moffitt said. "When you think in terms of causes, you think in terms of separation. Because causes mean someone is for or someone is against. But the idea of a community is a bringing together," he emphasized. "That to me is the real power."

In any cause, there are limits to what can be accomplished. "You've felt the existence of the wall out there, if you haven't already hit it," Moffitt said. "Whether you're trying to work with poverty or you're concerned about the environment, you know the limitations of your work. And I think that is because there is an inherent limitation to the success one can have with a cause.

"The way to change that, the way to create a whole new level of possibility, is to raise the whole field of play to a new level. And you do that through community values."

As an illustration, Moffitt said a person could work for years in something like environmental issues, and watch one change of administration wipe out everything. That's because there isn't sufficient grounding in common values. There isn't that sense of community standards that can keep laws or practices from sudden change.

Hard Benefits

If we don't have a common cause to gather around, Moffitt said, that doesn't mean there aren't benefits, because SVN offers benefits that are very real.

"To me," he continued, "the hard benefit is that we are going to feel this sense of community" -- and from that, new ideas and new community standards will begin to evolve.

"We don't have a sense of community standards that we once shared as a nation," Moffitt said. "And the only way to reestablish community standards is through a regathering of the township. But the township has to be regathered in new ways, because we exist in a different sense of community." If we are to have community in our day and age, it must be through gatherings like these that we begin to evolve standards, Moffitt said. "And that's exciting, and that's a hard benefit."

"Think of this as though we are warriors from different tribes, and this is a gathering of the tribes."

"We're not here as leaders, we're here as students, and what we're trying to find is a greater perspective from which to live our own lives."

Another benefit is that we can begin to evolve a new language -- not the jargon and rhetoric of any cause, but a common language for the nation of tribes. "And images make a difference," Moffit said. "You've got to picture something be able to do it." A final benefit is a new myth structure, for we need a series of myths that can be told.

In summary, Moffitt said, "I'd like to suggest that our attitude for this weekend be that we're coming together to share values through the telling of tales, the discussion of ideas, and the search for the bigger perspective."

Responsible Real Estate

Development with a Conscience

"In our housing care centers we're serving the residents first, the staff second, then the community, and then ourselves."

David Friedman

"If small is beautiful, slower is humane."

Ivan Illich

"The stuff we create sticks, it transforms the world," Jonathon Rose said about real estate development. "We must challenge ourselves to create things we believe in." As a developer with Rose Associates, Rose is one of a new breed of developers attempting to live up to that challenge. Along with Barbara Cleary, president of AI Group, and David Friedman, president of Sandy River Group, he presented a workshop on the topic at the SVN conference.

Jonathon Rose has been working with three value systems when evaluating a development project:

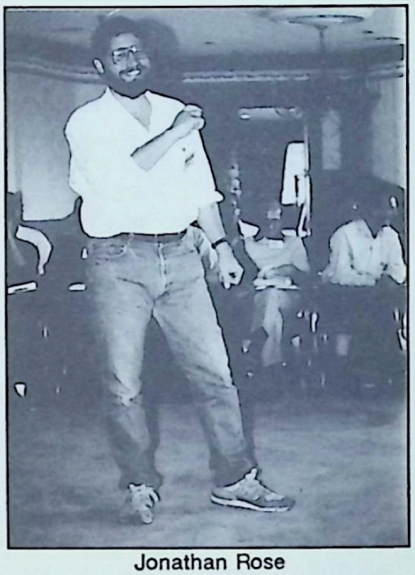
- Does the project enhance or destroy community?
- Does the project save or destroy land?
- Does the project increase or decrease auto usage?

Building Community, Saving Land, Decreasing Auto Usage

Pike Place Market in Seattle and Granville Island in Vancouver are just two of the alternative market places spotlighted by Rose in his slide show. Pike Place, a renovated warehouse space converted into a year round vibrant marketplace for retailers and consumers is one answer to maintaining community and an alternative to suburban mall development. Rose pointed out some relevant statistics: (1) a study has shown that shoppers are 25 times more likely to interact with others in a marketplace setting than in a traditional supermarket, (2) a fish store in the financially successful Pike Place Market yields the highest price per square foot of retail food space in the United States, (3) public markets are generally cheap to build.

Producing alternatives to suburban sprawl by using the traditional small town as a planning model is one of the goals of Projects for Public Spaces, a non-profit corporation Rose works with. Many participants in the workshop, including Bruce Katz, former co-founder and president of Rockport Shoes, Stewart Sager, former executive director of Arcosanti (a research laboratory studying architecture and ecology) and Jim Mathewson, CEO of Northern Nevada land Company, spoke of projects they were working on which support the traditional town model.

Stan Hallett, founding board member of South Shore Bank, founder of the Center for Neighborhood Technology and president of Pathfinder Systems, which is building a prototype for a new personal rapid transit system emphasized the necessity to focus on appropriate technology when retrofitting old neighborhoods. The automobile is quickly becoming one of the most siginificant environmental problems, Rose said. Integrating modern transit systems into urban development will be necessary when developing responsible real estate.



Jonathan Rose

David Friedman's company develops nursing care centers for the elderly. "In our housing care centers," he said, "we're serving the residents first, the staff second, then the community, and then ourselves." Moving away from the "double-loaded corridor" concept -- a long hall with doors on both sides -- Friedman has developed a nursing care center with houses or "pods," where residents can live with others of similar health, eat together in small groups, and develop a sense of community. Color-coded walls keep the elderly from becoming disoriented, and nusing stations are low to give access to those in wheelchairs. What the Sandy River Group is doing, Friedman said, is "blending vision and ideals with the physical form."

Affordable Housing

Speaking to the financial aspects of affordable housing, Barbara Cleary emphasized that

public-private partnerships are crucial today -- because federal housing projects do not work, yet private developers need subsidized funds. The result is a partnership of state and local governments with both for-profit and non-profit developers.

AI Group is currently involved in using the low-income housing tax credit, and will be bringing out the company's first public offering -- allowing middle-income investors a chance to invest in affordable housing.

Joel Solomon of Solomon Enterprises concentrates his efforts on residential housing for low-income people. Joel is interested in any suggestions about where to find non-institutional first mortage finance money to purchase, rehab, and hold for a period - single family, duplex and triplex low to middle income homes. Due to the fee load of traditional lenders and the stringent guidelines for government assisted properties, he finds it difficult to pursue responsible investment in this very vital niche.

I honor your vision as individuals and the way you bring it into your lives. I honor the possibility of us working together over the course of our lives, to have a significant impact on the world."

Joshua Mailman, Co-founder, Chairman of the Board

Environmental Business

Opportunities and Challenges

With ever increasing public awareness of environmental problems, and growing legislation in the field, opportunities are growing for new types of environmental businesses. A wide variety of those opportunities -- and the accompanying challenges -- were explored at the conference.

Led by Will Parish of National Energy Associates, Michael Kieschnick of MHK Ventures, and Robert Rodale of Rodale Press, the workshop brought together some forty people, with various levels of expertise. Among those in attendance were Stan Hallett, developer of a new personal rapid transit system; Don Montgomery, who does oil and gas exploration; Harvey Wasserman, a leading anti-nuclear activist; Burton Marks, who's associated with a research center studying the greenhouse effect; Christopher Cook of Greenpeace; Jerry Goldstein, publisher of the waste recycling magazine BioCycle; John Domont, who is creating an environmental TV show; Jan McFarland, Environmental Technical Specialist; and Sharon Glassman, environmentalist.

Opportunities

In the area of toxic waste, Michael Kieschnick saw three types of opportunities for business:

- Cleanup -- cleaning up the existing contaminated sites that have been identified.
- Information and measurement -- testing water for pollutants, doing toxic assessment of real estate.
- Prevention and substitution -- alternative technologies creating biodegradable diapers, or searching for replacements for chlorofluorocarbons.

Will Parish sees opportunities in the alternative energy field: 1) in biomass, burning solid waste to produce energy; 2) in natural gas cogeneration; and 3) in wind power, which may now be able to stand on its own without tax subsidies.

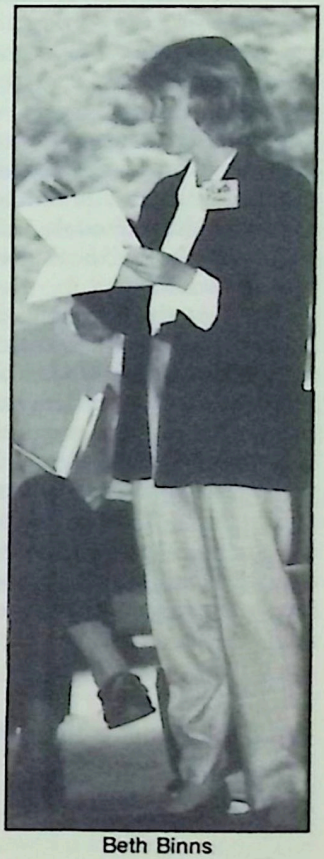
In still another area, Virginia Moran, investment advisor, spoke of opportunities to create sustainable rainforests by selectively harvesting plants. Natives can create a sustainable rainforest economy rather than clear-cutting for cattle grazing, she said.

In any project, of course, there are tradeoffs. There is little room for purists, Kieschnick emphasized. Strippers that take pollutants out of water put them into the air. And the silicon wafers needed for photovoltaic cells require toxic chemicals for production.

An additional problem is the NIMBY syndrome: "Not In My Back Yard." Parish has run up against this in trying to site his alternative energy plant, which burns cow manure to produce energy. Rodale added that environmental projects have a long lead time, face cumbersome legislation, and aren't likely to produce a quick return.

Concerns

At the conclusion of the workshop, participants brainstormed a list of environmental concerns, suggesting areas for further work. Those concerns ranged widely, including: organic farming, freon-less air conditioners, recycling and source-reduction technologies, cogeneration, anti-nuclear referendums in Massachusetts, photovoltaics, rainforest preservation, ultra-light mass transit, and clean air engines. Out of this list, common areas of interest were drawn, and further discussions were held after the workshop.



Beth Binns

Big Ideas

Insights from Guest Speakers and Invited Guests

Bob Rodale: Regeneration as a Big Idea

Modern civilization really is built on "big ideas," said Bob Rodale of Rodale Press, which publishes *Prevention* magazine and other publications. Among the big ideas we know well are Darwin's concept of natural selection, Kuhn's idea of scientific paradigms, or Ford's idea of mass production.

Big ideas reach beyond one subject area, and they last beyond a single generation. "They become the glue that lets people link smaller thoughts into a generally understood approach to life," Rodale said.

The big idea that Rodale is now working on is *regeneration*. We already know the concepts of agriculture and conservation, the production of food and the protection of resources -- but in regeneration we can blend the two, protecting resources *as* we produce food. It is a concept of ongoing self-renewal as opposed to depletion. Regeneration has the potential to become a truly big idea, Rodale believes, and it could revolutionize the way we approach farming.

Putting the concept into action, Rodale's company sponsors the Regenerative Agriculture Association, which does on-farm research into regenerative techniques and is a nonprofit arm of Rodale Press. Rodale also publishes *The New Farm* magazine, on regenerative farming. More recently, the company has launched the Regeneration Project, which publishes a newsletter on urban and community regeneration.

Wayne Silby and Tom Miller: New Language for Social Investing

There's an enormous *black line* drawn between people's regular investment and their social investments, said Tom Miller of the Ford Foundation. We need to erase that line -- and we can do that by putting a track record behind social investments, demonstrating they can offer reliable returns.

What is needed is a better language for social investing, said Wayne Silby, co-founder of the Calvert Funds. Not all social investments carry the same level of risk, and that needs to be made clear. Silby suggests we visualize three categories of risk: one where you may lose your money, a second where you're guaranteed to get your money back, and a third where you'll get your money back with some return.

Wayne Silby

Jeff Furman and Sharon Glassman: Alternatives to Philanthropy

Instead of approaching corporations for philanthropic donations, groups should go after *marketing dollars,* said Jeff Furman of Ben & Jerry's. "This is an untouched resource." Corporations can be invited to tie in with a project in a way that gets their name before the public -- not as a gift, but as a marketing expense.

Sharon Glassman offered a similar idea when she suggested groups tap *advertising dollars.* Donations beyond a certain level may not be deductible, she says, but advertising is always a business expense and hence a write-off.

As an example, Sharon said her group *Friends of the United Nations* got Benetton to fund new uniforms for the UN visitors staff -- offering a good tie-in for Benetton, whose ads about the project will promote both the company and the UN.

Ivan Illich: Reduction of Needs

One can approach social responsibility in a number of ways, said renowned scholar and author Ivan Illich: Does a company produce goods in a responsible way? Does it honestly represent what it's selling? But most importantly, *Does a company increase or decrease needs?*

"Needs are a modern phenomenon," Illich says. "When I was a boy and had a need, I was told, third door on the left. Needs were something poor children had." Necessities are old, Illich said, for they represent a genuine need for such things as food and shelter. But contemporary "needs" are often simply desires that business plays on to sell products. We ought to strive to reduce such false needs, Illich said; that is the essence of social responsibility.

The reduction of needs was a compelling idea, and it came up again and again throughout the conference.

Alice Tepper-Marlin of the Council on Economic Priorities pointed to one example of corporate needs reduction: utility companies prevented from building new plants, which are forced to advocate conservation. She also mentioned that the Briarpatch Network in San Francisco used to give a Simpler Award each year.

Richard Weingarten: Secondary Sources of Capital

During the workshop "Social Purpose Ventures" Richard Weingarten, Director of Corporate Finance for the Southeast division of Bear Stearns & Co., suggested the possibility of creating a publicly financed pool to expand debt investment into social purpose revolving loan funds, development banks and development credit unions.

A committee was formed to research track records of existing funds and to evaluate investor interest. Committee members include: Frances Brody, Margaret Cheap, Katherine Gross, Chuck Matthei, Tom Miller, Lisa Richter, Richard Weingarten.

. . . . . more Big Ideas

Chuck Matthei: The Structure of Poverty

The great myth of poverty is that people don't have enough money, said Chuck Matthei, executive director of the Institute for Community Economics. But poor people have more money than we think; a lot of money flows into poor communities -- the problem is it flows right back out. Renting an apartment, a poor person can pay ten times the market value of the home in rent, Matthei said, yet have no equity to show for it, and no security.

The problem is in the structure of ownership, he maintained. While homeowners channel monthly payments into their own equity, renters channel money into the pockets of absentee owners.

One way ICE attempts to remedy that is with its revolving loan fund, which puts equity in the hands of those who can't normally afford it.

Hazel Henderson: Redefining Development

The United States needs new indicators of economic success, said futurist and author Hazel Henderson. Both communism and capitalism are ideologies of industrialism, but we are now beyond industrialism. "It's time to give a decent burial to Karl Marx and Adam Smith," Henderson said.

Political debate is ten years behind events, and it is important to develop post-economic models of success. Economists must redefine development, Henderson said, not in terms of dollars flowing in an economy, but in terms of the quality of life. While the focus has traditionally been on measurements like the GNP, it is time to begin focusing on indicators like literacy, health, life expectancy, or housing.

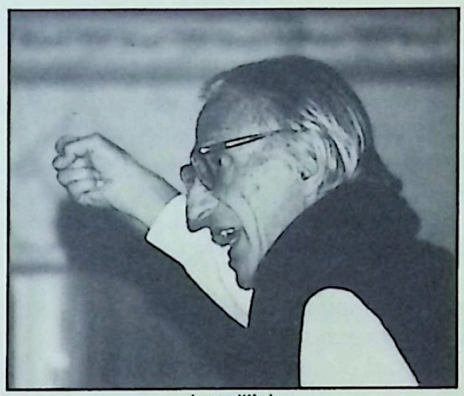
Putting her theory into practice, Henderson is working with a new group of Third World countries, the South Commission, helping them examine potential new measures of development. She's helping them develop indicators to maximize their own goals -- not the traditional GNP goals of the U.S. economy.

Henderson sees the next twenty years as a new era of mutually assured development. It will be the era of the Southern Hemisphere, she said, adding optimistically, "This is the most hopeful time for me in many, many years."

Richard Barnet: New Definition of Security

The Cold War paradigm has changed profoundly, and the conditions now exist for a radical transformation of the notion of national security, said Richard Barnet, foreign policy analyst and co-founder of the Institute for Policy Studies.

A new definition of national security is emerging, Barnet said, and it seems to have less to do with military might



Ivan Illich

and more to do with an ecologically healthy planet. He said a number of key trends point in that direction:

- Military power no longer achieves its objectives efficiently.
- Power today increasingly means economic power, not military power.
- Ecological threats are far more serious than any military threats.

Alice Tepper-Marlin: Responsible Shopping

A tool for consumers to cast their economic vote conscientiously -- that's how Alice Tepper-Marlin described the Council on Economic Priorities' new booklet, "Shopping for a Better World." Just as many investors screen stocks by social criteria, consumers can screen products chosen at the supermarket, using CEP's ratings.

The booklet offers ten social criteria by which to rate corporate performance: charitable giving, advancement of women and minorities, weapons production, animal testing, social disclosure, community outreach, nuclear power, South African divestment, and the environment.

The booklet is due out in December 1988. By using it, Tepper-Marlin said, "consumers can enhance the incentives for corporations to improve their social performance."

Lucien Wulsin: Addiction to Work

Any time we use a substance or a process to keep us from facing our difficulties -- especially to keep us from facing our relationships to others -- we have an addiction. And what many business people are addicted to is work. Lucien Wulsin, chairman of the Naropa Institute, presented these ideas at a workshop on work addiction.

We can be addicted whether or not we're dysfunctional, Wulsin said. Among the characteristics of addiction: denial, self-centeredness, perfectionism, dishonesty, need to control others, and worry about scarcity. Overcoming addiction is a lifelong endeavor, he emphasized. It begins with admitting that you are an addict.

Wulsin talked about the "quarterly report mentality" of the corporate world. Such reports rarely tell the truth, but instead put a good face on things. CEOs come to view such reports as a fix, an injection of something that makes them feel good -- and they begin to live from one fix to the next, with no ability to plan for the long term.

Wulsin showed a moving video, "The Honour of All: The Story of Alkali Lake," about how an Indian tribe purged itself of alcohol addiction -- going from 100% addicted to 95% sober. Copies of the video are available from Phil Lucas Productions, PO Box 1218, Issaquah, WA 98027. Phone: (206) 392-9482.

Investment Alternatives

Promoting Public Interest in Social Investment

"This is a gifted group, to whom society is looking for models."

Wayne Silby

Margaret Cheap

Social Venture Partners Update

A potentially major project that emerged from the previous SVN conference, January 1988, was Social Venture Partners -- a nationally focused fund for social investing. A seven person committee was formed to address such issues as the size of the fund, social investment policy, ROI, and to supervise the general partner search. Committee members included: Margaret Cheap, Barbara Cleary, David Glickstein, John Guffey, Jane Sampson and Woody Tasch. Richard Perl and Peter Troast were facilitators for the group, with Wayne Silby acting as chair. Adam Engle, Bob Foley, Bob Faris, Richard Weingarten and a number of other SVN members assisted in an advisory capacity.

The committee drafted a report outlining a model prospectus for a venture fund committed to social investing as well as identifying many of the risks associated with a venture of this size. The results of this effort were summarized in a recent letter to SVN members involved in Social Venture Partners. Wayne Silby, chair of the committee wrote, "I believe we should abandon the vision of a large scale omnibus social venture fund in favor of encouraging the sprouting of smaller regional funds." Creating a large national fund and finding the right people to manage it was proving difficult, he said -- and it seemed more appropriate to "walk before you run."

In this context many regional funds have been started around the country. There are many members of the Social Venture Network who are involved with projects that will open doors for increased social investing. We have listed these below.

Please note: This information is provided by Social Venture Network as part of its efforts to foster public interest in social investment. The information has been provided by representatives of each endeavor; SVN has not verified the accuracy of the information, nor does it recommend or certify any particular effort. [Potential investors should rely solely on information provided to them by the efforts.]

Michael Kieschnick

VENTURE CAPITAL FUNDS:

Sand County Venture Fund

Michael Kieschnick, co-founder of Working Assets and Diversified Corporate Loans of San Francisco, is the president of MHK Ventures, Inc., of Palo Alto, CA a new investment banking firm focusing on startups and buyouts in areas such as environmental and human services. The firm is also general partner for the Sand County Venture Fund. Sand County Venture Fund had its first closing in October. When fully capitalized, the fund size will be $2.5 million. Tel. (415) 324-4414

Beacon Fund

Douglas Ades, President of the Alpha Center, and Robert Faris, past president of Alan Patricoff, Inc., are the organizers of the Beacon Fund. The Fund is a $25 million venture capital fund for investments in the emerging human services industry. The Beacon fund has received commitments for $7 million and will have its first closing at $20 million. Tel. Douglas Ades (212) 688-8935

Sextant Fund

Woody Tasch, of Prince Venture Partners, is in the early stages of fundraising and organizing the advisory board and investment committee for the Sextant Fund. This venture fund will make investments according to stated social objectives and contribute a percentage of fund profits to non-profit entities. Tel. (203) 869-4114

Progress Capital

Frank Bennett, previously of Piper, Joffray and Hopwood, is starting a seed venture fund called Progress Capital, which will focus on upper Midwest ventures in education and health care. Tel. (612) 374-5118

(Calvert) Social Venture Fund

Wayne Silby and John Guffey, co-founders of The Calvert Fund, Michael Tang of Tang Industries, Inc. and John May, General Partner of E.D. Wilt Investments, a Washington D.C. Venture Fund, are exploring the creation of a regional social investment fund ($3 million) to serve the mid-Atlantic area. Tel. John May (202) 659-2101

Juniper Partners

David Glickstein and Lynn Katzman are the principals of Juniper Partners, which provides financial and other services to the long-term care industry. Juniper Partners is raising $25 million for Juniper Properties L.P., which will purchase nursing home facilities and lease them to small and medium sized operators with track records of providing quality care in the context of profitability. Tel. (212) 943-6100

SOCIAL PURPOSE VENTURES:

Public Offering - Affordable Housing

Barbara Cleary is President of Affirmative Investments, a diversified financial services company specializing in direct investments

which make a positive social impact. AI Group's first public offering, Community Housing Partners I, a tax credit limited partnership focusing on affordable housing will be available this fall. Tel. (617) 350-0250

ICE Revolving Loan Fund

Chuck Matthei is executive Director of the Institute for Community Economics, which operates a $10 million revolving loan fund and offers services nationally for community loan funds specializing in affordable housing. Tel. (413) 774-7956

Industrial Cooperative Association Revolving Loan Fund

Katherine Gross is director of the ICA Revolving Loan Fund which is a source of risk capital for worker-owned firms that create and save jobs for low-income and blue-collar individuals. Tel. (617) 629-2700

NCB Development Corporation

Margaret Cheap is president of the National Cooperative Bank Development Corporation, a $40 million risk capital company of the National Cooperative Bank. NCB specializes in lending and investments to employee-owned businesses, cooperative businesses and community development corporations. Tel. (202) 745-4761

South Shore Bank

South Shore Bank of Chicago Illinois specializes in revitalizing inner-city communities. South Shore's Development Deposits program allows individuals around the country to place funds with the bank for local development work. Contact Lisa Richter at (312) 288-1000

Community Capital Bank

Formerly known as the Bank for Socially Responsible Lending, CCB will be a chartered bank aimed at promoting a socially responsible business sector in New York. Contact Lyndon Comstock at (718) 768-9344

"We were trying to make our community the owners of our business."

Ben Cohen

The Social Entrepreneur

Challenges of Socially Responsible Management

Dealing with reluctant middle managers, living up to what you espouse, and letting the staff psychoanalyze you are just a few of the challenges that come with running a socially responsible business, as participants learned in a workshop on the topic at the Poconos conference. Panelists included Ben Cohen, founder of Ben & Jerry's Ice Cream; Anita Roddick, founder of The Body Shop; Gifford Pinchot, management consultant and author of *Intrapreneuring*; and Bob Schwartz, founder of the Tarrytown Center and the School for Entrepreneurs.

As Cohen moves out of day-to-day management of Ben & Jerry's, he finds a new generation of managers taking over who reserve their passion for excellent products -- not for social values. They reject many of the social projects of the company as hare-brained. When the company did an initial public offering in Vermont, for example, managers resisted the idea of having investors come in with as little as $125, as Cohen wanted. "We were trying to make our community the owners of our business," Cohen said. And it worked.

Cohen again encountered resistance when he introduced Peace Pops, ice cream novelties promoting peace on the box. Middle managers feared some people would picket stores carrying the products -- but again, the concept worked.

The problem may be, Cohen said, that he has been a benign dictator handing down values, but failing to infuse them. In the end, those values were not internalized. How to accomplish that at this point is an issue he hasn't solved.

At The Body Shop, Roddick faces a similar problem, in worrying how to make "that pessimistic accounting department" as exciting and creative as the rest of the company, and how not to let accountants run the company.

Jerry Greenfield, Ben Cohen, Jeff Furman

Another challenge is living up to the values the company espouses. "Every damn thing we do, we check," Roddick said. "We're the most stringent self-policing company" -- even though it doesn't make life easy. They decided every company car must use unleaded gas, for example, though there are only five unleaded stations in all of Britain.

Responsible Leadership

To be a leader in a responsible way, you must admit your own weaknesses, said Gifford Pinchot, because that truly empowers the staff. It completely changes the nature of the employer-employee relationship. "Don't try to do psychotherapy on your employees, let them do psychotherapy on you," he said. "One of the best therapies you can have is to lead an organization."

"I see what's struggling to be born here," said Bob Schwartz, "is a new language, a new view of the world, a new paradigm, a new civilization." We need new symbols to embody this novel way of thinking. For example, how is it that we've become so fixed on concepts like Gross National Product, he asked. "What about a GNP that has to do with Gross National Purpose, or Gross National Pleasure?"

Progress Since the Poconos

Projects, Connections, Business Deals

Joshua Mailman

"I feel I did a month of research in an hour and a half of conversation."

Wayne Silby

"It was a wonderful experience. I liked it tremendously. I think the group has tremendous potential."

George Weiss

"I walked in there knowing one person in the room. Since the conference, I've had lunch with Wayne Silby and John Guffey, and several others."

Sam Harris

Media

- Michael Grant, one of the producers of the *Millennium* TV series, dedicated to preserving tribal wisdom for the modern age, is currently working with Anita Roddick of The Body Shop. The Body Shop is looking very seriously at becoming the corporate sponsor of this 10-part documentary series.
- Mitch Rofsky, commercial real estate developer and one of ten founders of a new national progressive business association, said Hazel Henderson has contacted him about a TV series she's involved with, which may have some air time for the new association.

Environmental Business

- Don Montgomery, founder of Montgomery Exploration, a company that does oil and gas exploration, made contacts at the Poconos conference that helped advance his thinking about cogeneration. He is exploring how to put together his natural gas business with cogeneration techniques.

Publishing

- Eric Utne, founder and publisher of *The Utne Reader*, got new ideas for a special issue on social responsibility in business. He also talked with Alice Tepper-Marlin, founder and executive director of the Council on Economic Priorities, about including her new booklet, "Shopping for a Better World." As a result of the conference, a half dozen people came forward with over $20,000 to finance a special printing of the booklet, to be inserted in the Reader.
- *Business Ethics*, a national magazine on socially responsible business, will be coming out in an expanded format and on a larger scale in 1989. Publisher Marjorie Kelly has produced eight issues so far, and is currently making plans for the major new launch.
- Robin Cantor, director of new product development for Nightingale-Conant, attended the Poconos conference looking for ideas for new tape series. Since the conference, the company is speaking with Gifford Pinchot, author of *Intrapreneuring* and consultant on innovative management and would like to explore tape series with other SVN members.

Financial/Venture Capital

- Michael Kieschnick of MHK Ventures, has begun publishing *Capital Gains, The Newsletter of Socially Productive Venture Investing.* Subscriptions $25 per year.
- John Guffey, co-founder of the Calvert Funds and board member of the new Community Capital Bank being organized by Lyndon Comstock, said many people expressed strong interest in investing in the bank.

Human Services

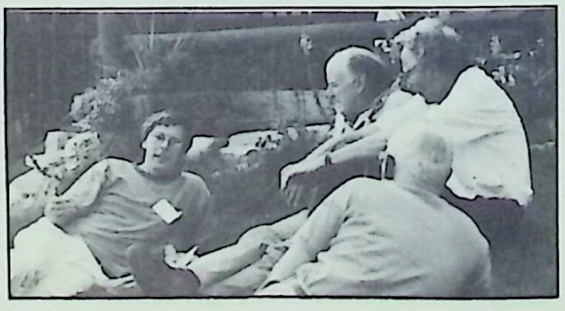
- Sat Tara Khalsa, information specialist and founder of Kriya Systems, is talking with Don Montgomery of Montgomery Exploration about a possible joint high-tech project, bringing new information services to residents in hospitals and nursing homes.
- David Brunell, senior partner with the investment banking firm Kimberly, Brunell and Lehmann in Washington, made some significant contacts for a project he is working on with a client, to open residential treatment centers for bulimia and other eating disorders. After a brief mention of the project at the conference, Brunell said a half dozen interested people came forward.

Politics

- Lobbyist and political consultant Lou Ivey, was inspired by the conference to help plan a Washington seminar to bring SVN members together with key senators and representatives. Ivey would like to do a two to three day retreat early in 1989.

Other News

- Bob Graham, co-founder of a major fruit and vegetable canning company, and chairman of the Katalysis Foundation -- which offers financial and technical assistance to Third World business people -- was able to offer a significant contact to Katherine Gross, director of the Industrial Cooperative Association Revolving Loan Fund, for one of her business deals in Puerto Rico.
- Tom Stoner will be joining Bob Barton and Timmy Joukowsky at the Catalyst Group. Tom and wife Lorie will be moving to Brattleboro, VT sometime in December.
- Congratulations to Wayne Silby for his November 11 wedding to Joanna Johnston. Many happy returns.



A New Voice for Business

Work is proceeding at a healthy pace on the new business association that emerged from the Network conference at Murrieta. Founding organizers Harvey Wasserman and Mitch Rofsky are preparing now to assemble a steering committee and begin raising funds.

At the workshop on the association held at Pocono Manor, Wasserman and Rofsky emphasized that the new group has no formal Network affiliation, though it does have informal Network support.

Among the prospective names for the group: The American Business & Professional Association, or Business for Social Responsibility. The association anticipates an annual budget of $200,000. In a planning paper issued after the conference, Rofsky said the overall aims of the group are twofold: to create a political voice in Washington and in the media for socially responsible businesses, and to promote progressive business practices in the corporate sector. Rofsky has drafted a statement of principles for the new association which emphasize business' responsibilities.

Interested parties can obtain a brief planning paper from Rofsky. He also invites suggestions on names of prospective steering committee members who might take a lead in fund-raising.

Contact Mitch Rofsky, 2605 Adams Mill Road NW, Suite 1, Washington, DC 20009. Phone:202/462-3048.

SOCIAL VENTURE NETWORK

Purpose

The Social Venture Network is a membership organization including entrepreneurs, investors and financial professionals who see business as a means to both financial success and the creation of a more humane and sustainable world. The primary goal of Social Venture Network is to catalyze an authentic movement of business people committed to social change. The Social Venture Network was conceived during the Social Venture Group conference in January, 1988. A coordinator was hired March 21, 1988.

Overview of Services

- A staff committed to actively linking members with areas of mutual interest.
- A database of biographies, affiliations and investor interests.
- A business plan referral program.
- A regular Newsletter.
- Conference planning and reporting.
- Coordinating regional meetings.
- Coordination of special interest Ad Hoc committees.

Board of Directors

Beth A. Binns,
SVN Coordinator

Terry Dalton,
President, Unicorn Corp.

Susan Davis,
Vice President,
Harris Bank

Sharon Glassman,
Co-President,
Securities Land Co.

Katherine Gross,
Director,
ICA Loan Fund

Michael Kieschnick,
President,
MHK Ventures

Joshua Mailman,
Managing Partner,
Mailman Brothers

Burton Marks,
Attorney

Richard Perl,
Principal,
Pacific Partners

Wayne Silby,
Chairman,
Calvert Group of Funds

Tom Stoner,
The Catalyst Group (first acting director of SVN)

Annual Membership Meeting

The members gathered during Saturday afternoon at Pocono Manor to review SVN business. Beth Binns, Coordinator, began with an overview of the present services and future services SVN will offer its members.

Joshua Mailman emphasized SVN's commitment of outreach to women and minorities who meet the Network's membership guidelines. Richard Perl, executive board member, described the Network's current board structure and put forward the board as a slate to run for the coming year. Richard Perl explained that the Network has been officially incorporated since July, 1988 and that the board desired to continue working together to build SVN. The membership approved the board and added on two new members, Susan Davis and Michael Kieschnick.

Burton Marks, Board member, gave a presentation on SVN's financial status, pointing out that current dues were not adequate to sustain SVN's projected 1989 budget of $200,000. Joshua Mailman has been substantially subsidizing the start-up of SVN and the board desires for SVN to become self supporting in 1989. SVN currently has 100 paid members and one full-time staff person. The $200,000 budget includes adding two additional staff people and moving offices from Mailman Brothers to a new location in Manhattan. Burton presented a founding member and supporting member dues program to meet these objectives. Founding members pay $2,500 which is a prepayment of dues for years 1992, 1993, 1994. Burton moved that supporting members dues be increased from the present $500 to $750 per annum. The members approved this increase.

Further discussions took place and many members suggested future services, policy changes and other areas of business that the Board will consider. The board received a vote of confidence from the members encouraging the development and enhancement of the Social Venture Network.

Current Address:

Social Venture Network
c/o Mailman Brothers
460 Park Avenue
21st Floor
New York, NY 10022
(212) 751-7171
(212) 752-1437 (fax)

NEXT SOCIAL VENTURE NETWORK CONFERENCE

June 8th through 11th, 1989

(please note change from announced date)

The Claremont Resort Hotel
Oakland, California

POCONO MANOR CONFERENCE PARTICIPANTS

Stuart Abelson
Davd Anderson
Richard Barnet
Bob Barton
Walter Beebe
Frank Bennett
Beth Binns
Joanie Bronfman
Robin Cantor
Margaret Cheap
Ben Cohen
Nadine Condon
Henry Dakin
Terry Dalton
John Domont
Paul Freundlich
Jeff Furman
Jerry Glassman
Jerome Goldstein
John Goodman
Michael Grant
Jerry Greenfield
Allen Grossman
Stan Hallett
Sam Harris
Hazel Henderson
Jeff Hollender
Lou Ivey
Bruce Katz
Jay Kaufman
Sat Tara Khalsa
Scott Alyn
Betsy Baiker
Brooks Barton
Guy Bazzani
David Belle-Isle
Warren Bingham
Frances Brody
David Brunell
Geoffrey Carr-Harris
Barbara Cleary
Lyndon Comstock
Christopher Cook
Samuel Dakin
Susan Davis
Bruce Eames
David Friedman
Sharon Glassman
David Glickstein
James Gollin
Robert Graham
Doug Greene
Katherine Gross
John Guffey
Toni Harlan-Evans
William Hart
Susan Holland
Ivan Illich
Tim Joukowsky
Lynne Katzmann
Marjorie Kelly
Michael Kieschnick
Russell Kramp
Burton Marks
Chuck Matthei
Jan McFarland
Phillip Moffitt
Virginia Moran
Rory O'Connor
Karen Page
Alexis Parks
Gifford Pinchot
Joff Pollon
Lisa Richter
Anthony Rodale
Maria Rodale
Heidi Rodale-Norelli
Mitch Rofsky
Howard Rower
David Sadka
Seif Saghri
Raul Sanchez-Elia
Bob Schwartz
Rena Shulsky
Wayne Silby
Alan Slifka
Ehud Sperling
Michael Tang
Carole Taylor
Peter Thorne
Eric Utne
Richard Weingarten
Robert Wright
Joshua Mailman
Jim Mathewson
John May
Tom Miller
Don Montgomery
Fred Mulder
John Oakes
Will Parish
Richard Perl
David Plattner
Joshua Reynolds
Lisa Rideout
Ardie Rodale
Bob Rodale
Anita Roddick
Jon Rose
Rustom Roy
Stewart Sagar
Jane Sampson
Danny Schechter
Dan Seleen
Jon Sibley
Barry Silverstein
Joel Solomon
Tom Stoner
Woody Tasch
Alice Tepper-Marlin
Peter Troast
Harvey Wasserman
George Weiss
Lucien Wulsin